

five separate occasions because of economic downturns. We have done that routinely in the past. It should not have taken this long. There are a significant number of people whose unemployment benefits have expired. We have a number of people who won't be able to collect unemployment benefits. It is really too bad that people have fallen through the cracks who have gone from welfare to work and who do not meet the requirements statutorily. They certainly should be included, and I hope some consideration will be given them also.

Again, the majority leader will, after the cloture votes, ask unanimous consent that there be 13 additional weeks of unemployment insurance extended to those people who so desperately need it.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. ALLARD. Mr. President, I understand that I have 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator may take up to 10 minutes under the order.

EXTENSION OF THE RESEARCH AND DEVELOPMENT TAX CREDIT

Mr. ALLARD. Mr. President, I am here this morning to express my disappointment that I am not going to have an opportunity to call for the yeas and nays on the permanent extension of the research and development tax credit. It has to be one of the most important provisions and amendments that will be made to the stimulus package.

I again am disappointed that stimulus package is not going to move forward out of the Senate. Many of us have worked hard. We think it is time for us to have a stimulus package. The economy needs to have that happen.

I want to refer to some charts and to what some very key individuals are saying about the R&D tax credit being extended on a permanent basis. Right now, it is not extended on a permanent basis. I think the National Association of Manufacturers is trying to address the question. I think they have said it very succinctly. They ask: Why worry? They say: because the R&D tax credit expires in 2 years and major R&D projects take an average of 5 to 10 years to complete.

If we don't get this passed now and move forward, that is going to be another reason our economy will not move forward. I am very concerned about that.

The Democrats in the Senate also recognize the importance of the R&D tax credit. I looked at what the majority leader said in January of 2002. He said:

We should act to make the research and development tax credit permanent; the sooner the better.

The action we are getting from the Senate today doesn't show any interest at all in moving forward in keeping up with the "sooner the better" pledge.

This is a serious problem and a catastrophe.

The R&D development tax credit is one of the most effective mechanisms to encourage innovation, increase business investment, and keep the economy growing.

Again, that is the majority leader speaking on January 4 of this year.

I am extremely disappointed that we will not have an opportunity to bring this amendment up for discussion.

Just to again point out how important this amendment is to the economic recovery of this country to restore economic prosperity, I would like to show you a one-half-page ad from the Wall Street Journal.

Mr. President, I show you an ad that was put in the Wall Street Journal from Ontario, Canada. It points out: "The Future's Right Here" in Ontario, Canada.

They say:

With pharmaceutical R&D spending up 300 percent in the past decade, Ontario is proving to be an excellent locale for life sciences.

The reason they are saying that is because they have a research and development tax credit of which companies can take advantage.

They go on further to say: "Protection of intellectual property rights and R&D tax credits, [which are] among the most generous in the industrialized world, are a couple of key contributing factors" and why it is so important to do business in Ontario.

We are missing the boat. We need to do more to encourage economic research and development in this country. It is key to restoring economic prosperity.

Again, I cannot emphasize enough how very disappointed I am that I am not going to have an opportunity, along with Senator HATCH, who has worked very hard on this particular amendment over the years, to get it passed on a permanent basis.

In addition to what I have shown here, we have looked up studies that say the permanent extension may, in some cases, by 2010, increase domestic economic growth by \$58 billion.

We have the tax credit available for incremental research and activities in both the United States and Puerto Rico where 75 percent of research and development tax credit dollars go to salaries and wages of employees associated therewith. These are high-paying American jobs, and high-paying American jobs pay taxes. It is taxes that go to the Federal Government and help us balance our budget at the Federal level.

So it is important. I am disappointed that not only my amendment but other amendments that would lead to economic growth in this country are not going to have an opportunity to be brought up. I cannot emphasize enough how very disappointed I am that this has been stalled because of action on the other side, even after we have had such positive statements made on January 4 of this year as to how we need to move forward with some of these tax

cut provisions that stimulate economic growth, such as the research and development tax credit.

Mr. President, I yield the remainder of my time to the Senator from Texas.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, if the Senator will yield for a moment—I think this is the order in which we appeared on the floor—so we can all make plans, I ask unanimous consent that when the Senator from Texas finishes, I be recognized for 5 minutes, and then the Senator from Georgia be recognized for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRAMM. And that following that, the Senator from Missouri be recognized for 5 minutes. I think that covers everybody present.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRAMM. I was just setting up a procedure where we can all speak.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Texas.

NEED FOR A STIMULUS PACKAGE

Mrs. HUTCHISON. Mr. President, so many of us wanted a stimulus package. The President asked for a stimulus package. We see the stock market continuing to go up and down, up and down. It certainly has not stabilized yet. We wanted to try to stimulate investment to try to make sure we would have an economy that would be able to remain strong as we are prosecuting a war for the very freedom of future generations in our country. But what we had before us was not a stimulus package. It was the end of a compromise without the compromise part.

There was no tax cut. There was no help for people who pay taxes. There was no stimulation for businesses that would invest in plant and equipment. And that is what we need to make sure we have those manufacturing jobs.

What I had hoped to do—and I had already filed the amendment—was to make permanent some of the tax cuts that are temporary over the next 10 years. I wanted to make permanent the marriage penalty relief that is in the tax bill that Congress has already passed and the President has signed but which could teeter in the next few years if we have a change in Congress.

Why should anyone have to pay a penalty because they get married? Why should they pay a different rate in a higher tax bracket when they get married as opposed to when they were single?

We are trying to correct the marriage penalty. Making marriage penalty relief permanent so people can count on it would be a stimulus.

Repeal of the death tax is one of the most important things Congress has done. Congress has finally acknowledged money that has been taxed when

it was earned, taxed when it was invested, should not then be taxed when it is passed to future generations. What the death tax does is keep family-owned farms and ranches and small businesses from being passed to members of the family. Fifty percent of the family-owned businesses in this country do not make it to the second generation; 80 percent do not make it to the third generation. Who benefits from that? Certainly not the members of a family who have worked to create a business to give their children a chance.

What about the employees who work for that family business. When it changes hands, their livelihoods then are at stake. So who is it good for? It does not even help the Federal Government because the income is minuscule and would be totally overcoming to a thriving business with jobs that are stable that can contribute to our economy.

So we wanted to make repeal of the death tax permanent. We wanted to make repeal of the marriage penalty permanent. That was what we were trying to do to this bill. But now the bill is going to be pulled from the floor before we can offer these amendments.

I do not think that is sound economics. I do not think that is good for our country, and it certainly is not going to stabilize our economy.

So when you talk about people being disappointed, I think all of us are disappointed that we are not going to have a chance to offer our amendments. We had all day yesterday to offer our amendments, but we were held from offering the amendments and having votes. That is just not right.

We adopted an amendment offered by my fellow Senator from Missouri, Mr. BOND, that would have helped small businesses. It would have been a huge help. It would have given them a \$40,000 writeoff for investment in equipment. For small business that is huge. Otherwise, they would have had to depreciate it. Instead, they would have a writeoff that would have encouraged small businesses to make those capital investments that create jobs in America.

So we are missing a major opportunity. I will call on Senator DASCHLE to reconsider, after the cloture vote—which, hopefully, will fail because we have not been able to offer our amendments yet. We do not want to pass the bill that is before us because there is no stimulation in it. I ask the majority leader to reconsider because we would like to have a stimulus package that makes permanent the marriage penalty relief, that makes permanent the death tax repeal so businesses and family farms can be passed through the generations without being taxed by the Federal Government and made to sell assets at bargain basement prices and take away jobs from people who work on those farms and take away the ability of the children in a family to continue to make their livelihoods from

that family farm. It would take away the opportunity to give small business a boost by giving them a writeoff of \$40,000 over a 2-year period for capital investment.

I urge the majority leader to reconsider. Let's work with the President. Let's work with the Democrats and Republicans in Congress. Let's have a stimulus package that really stimulates.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

REDUCING TAXES

Mr. GRAMM. Mr. President, back in January of last year, Senator ZELL MILLER of Georgia and I started working together in support of the President's tax cut. Obviously, I am awfully happy and awfully proud that we succeeded.

Taxes are being reduced for working Americans. The marriage penalty, which my dear colleague from Texas just talked about, is being eliminated. The death tax is being phased out. Rates are being reduced for every American. The net result is that working people are getting the opportunity to keep more of what they earn.

I think that was the right policy. It was supported on a bipartisan basis. It got a strong vote in both Houses of Congress, but because of a technicality in the Budget Act, we have this incredible anomaly that 10 years from now all of that tax cut goes away.

Nothing could be more destabilizing than having a tax system which is not permanent. Nothing could have a greater impact on the economy that would happen 10 years in the future, that you could know about today, than having the specter of a massive tax increase occur automatically.

Congress never intended that. It was a technicality in the budget that forced it. So when the debate started to occur about how do we deal with the recession, how do we stimulate the economy, Senator MILLER and I got back together and tried to come up with a simple program that did not cost money during the recession and drive up the deficit but yet stimulated the economy dramatically, in the process putting people back to work and putting money back in the Treasury.

We concluded there were two simple things we could do that would achieve both those goals: put people back to work, have them paying taxes into the Treasury, and at the same time would not cost the Federal Government much money.

We concluded that the strongest stimulus package that could be adopted that would meet those goals was to make the tax cut permanent by repealing the sunset provisions in the Tax Code so that when we eliminate the marriage penalty, it is forever, and people know it. When we eliminate the death tax, it is gone, and people can plan on it. These new rates are going to

be permanent so you can invest and save and work harder knowing it.

The second proposal we had was cutting the capital gains tax rate. I am not sure that is politically correct in an era where the first thing we debate is, would anybody who has any money, make any money. But cutting the capital gains tax rate in the entire 20th century never failed to put money in the Treasury, never failed to stimulate the economy. And based on that experience, we were proposing that we cut the top bracket from 20 percent to 15 and the bottom bracket from 15 to 7.5 percent.

That simple proposal would have raised Federal revenues in the next 2 years—no one debates that—and would have provided a very strong stimulus to the economy. It appears we are not going to have an opportunity to offer it because the debate is going to be ended. We thought it was important that there be a vote on a real stimulus package. We have debated a stimulus package, but no one has really proposed one.

The President, very much to his credit, thought, in light of September 11, that we had enough bipartisanship that he could take half of the ideas the Democrats had, take some ideas Republicans had, make a proposal, and it would be adopted on a bipartisan basis. That turned out not to be the case. But if you wanted a real stimulus package that would stimulate and that would make money for the Government at the same time, our proposal—making the tax cut permanent and cutting the capital gains tax rate—is that proposal.

I am proud of it. I wish we had had an opportunity to vote on it. I don't believe it would have been adopted. But if we are going to debate stimulus, we ought to have a vote on something that will stimulate. If you are trying to produce an economic response, you want something that is going to produce it. We had it, and I am very proud to have had an opportunity to work on this with Senator MILLER.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

ORDER OF PROCEDURE

Mr. MILLER. Mr. President, I ask unanimous consent that in the sequence of speakers already established, Senator CLINTON be recognized following Senator BOND.

The PRESIDING OFFICER (Mr. CARPER). Without objection, it is so ordered.

Mr. REID. Mr. President, if the Senator will yield, I ask that his unanimous consent request be amended to allow Senator CARPER to speak following Senator CLINTON.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Georgia.